

# **FISCAL NOTE**

## **HB 1340 - SB 1954**

February 24, 2005

**SUMMARY OF BILL:** Authorizes qualified small in-state dealers to request a 0.5% share of the annual sales tax they remit to the Department of Revenue as compensation for the collection and remittance of sales tax.

### **ESTIMATED FISCAL IMPACT:**

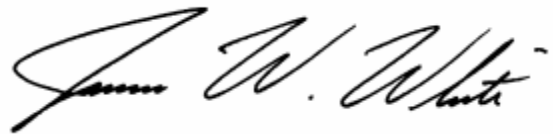
**Increase State Expenditures - \$1,750,000**

Assumptions:

- “Qualified small in-state dealer” is defined as any business with no more than \$240,000 in annual gross sales.
- Application is made to the Department of Revenue within 90 calendar days of the close of dealer’s tax year and dealer provides any additional information deemed as necessary by the Department of Revenue.
- No compensation shall be made to any dealer who has failed to, or is delinquent in, remitting the necessary sales tax on their annual gross sales.
- Approximately 70,000 dealers qualify under this proposal.
- Average compensation is estimated at \$25 per year.
- Estimated increase in state expenditures is approximately \$1.75 million (70,000 dealers X \$25 average compensation = \$1.75 million).

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

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